

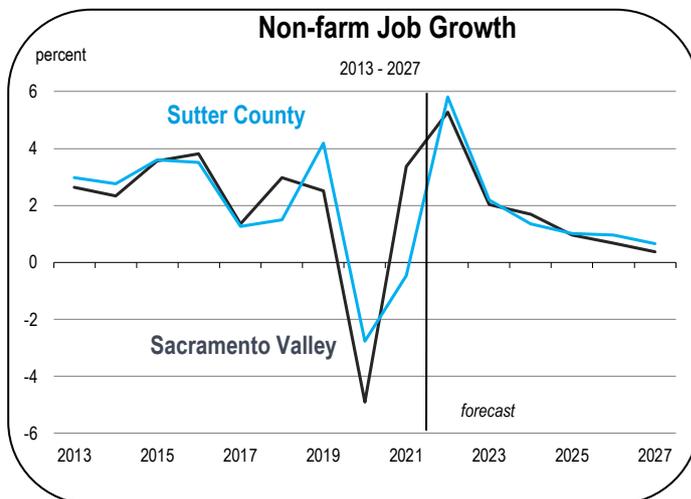
# Sutter County Economic Forecast

## Forecast Summary

- The pandemic lockdowns and/or business restrictions that were present during much of 2020 and the first half of 2021 had minimal effect on Sutter County. Nevertheless, the county’s labor market has been slow to recover from the recession.
- Employment will rise by an estimated 1,100 jobs in 2022, eclipsing the previous peak in the total workforce recorded in 2019.
- Over the 2022 to 2027 period, the healthcare sector will lead all labor markets in job creation.
- Meaningful and positive growth of the workforce will also occur in professional business services, leisure and hospitality, and the public sector.
- The farm sector is the second largest labor market, accounting for 13 percent of all wage and salary jobs in the county. However, farming is unlikely to contribute to job growth over the forecast.
- The unemployment rate averaged 11.6 percent in 2021. It is forecast to average 8 percent in 2022 and 7.1 percent in 2023.
- The Sutter County population is expected to grow faster than the California average over the forecast period, but slower than most other counties comprising the Sacramento Valley region.
- The median home value increased by 17 percent in 2021 and is expected to rise by 7 percent in 2022. No positive appreciation in selling prices is forecast in 2023.

## Job Growth

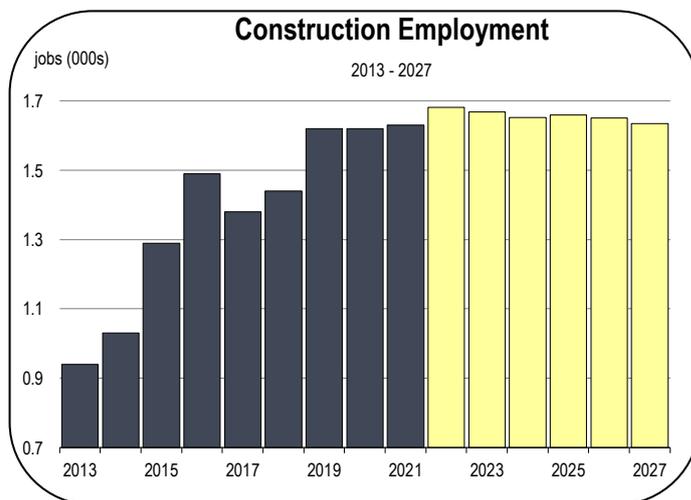
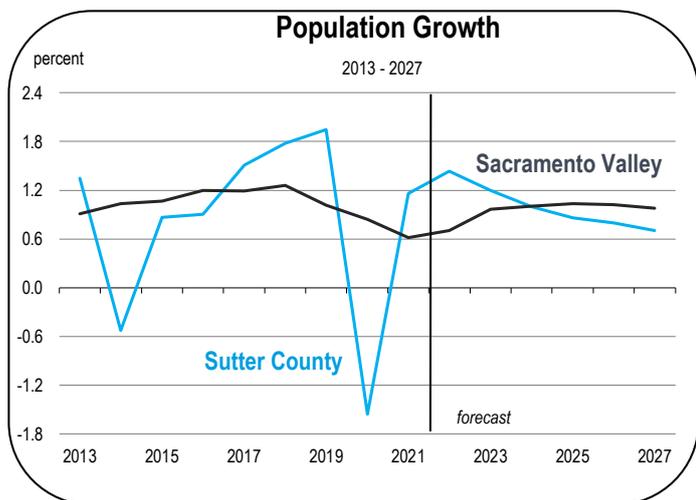
- Total non-farm employment declined slightly in 2021, but has rebounded sharply in 2022.



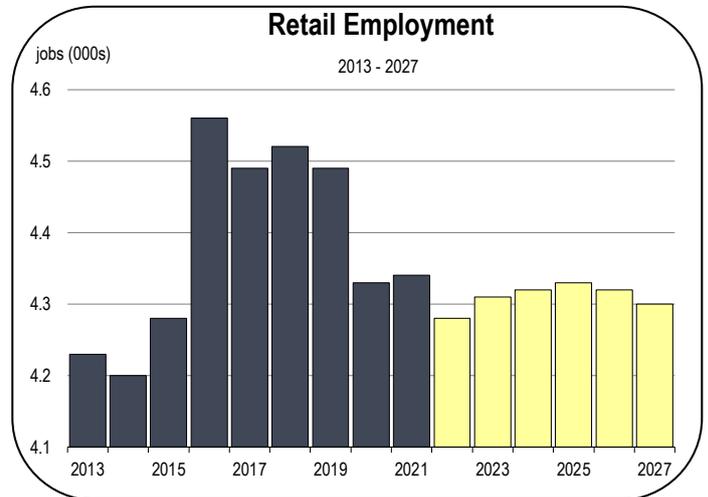
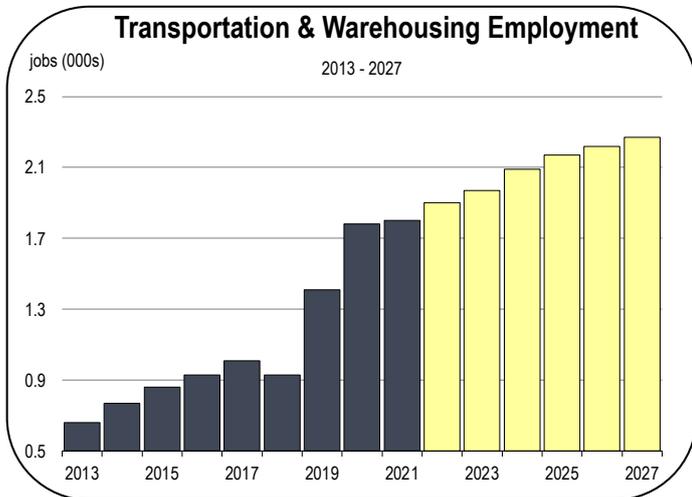
- Non-farm employment is expected to increase by 3.9 percent in 2022 and 2.7 percent in 2023.
- After 2023 and through 2027, job growth is forecast to average 1.1 percent per year.

## Construction Employment

- Employment in construction moved to record workforce total in 2021. Jobs continue to be created in 2022.
- Employment levels will remain high over the forecast period, but in 2022 and 2023, the California construction workforce will be fully employed, and construction firms will struggle to hire additional workers.



# Sutter County Economic Forecast



## Transportation and Warehousing Employment

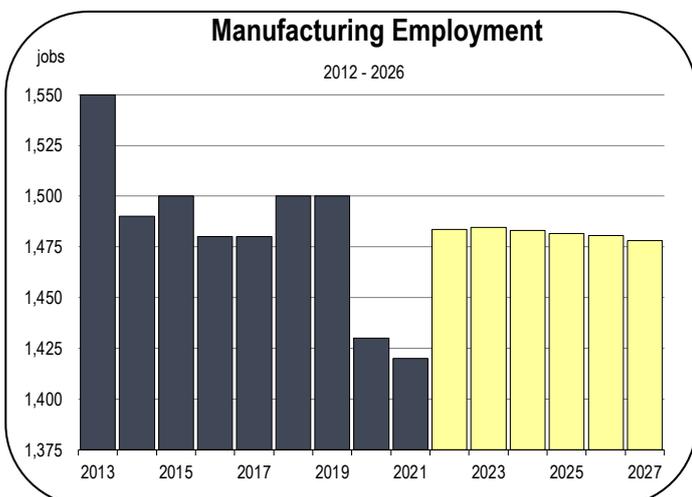
- Most transportation jobs in Sutter County are in freight trucking, where firms deliver goods to businesses within the Sacramento area and across the U.S.
- The broader Sacramento area is becoming a major hub for logistics and fulfillment centers, with firms like Amazon opening facilities across the region.
- Growth of jobs in trucking/warehousing has been prolific since 2019. This labor market was unaffected by the pandemic and the current workforce is at peak employment levels.

## Manufacturing Employment

- The industry is largely food and beverage processing. It bounced back sharply in 2022, recovering nearly all jobs impacted by the pandemic recession.
- The outlook for manufacturing calls for stability in employment rather than growth.

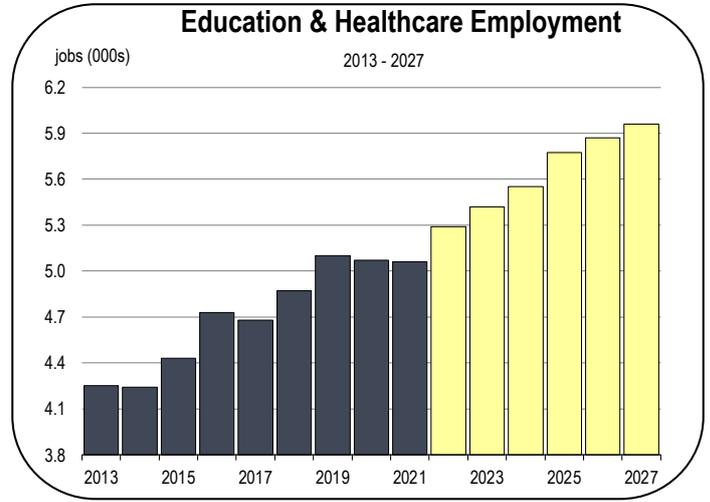
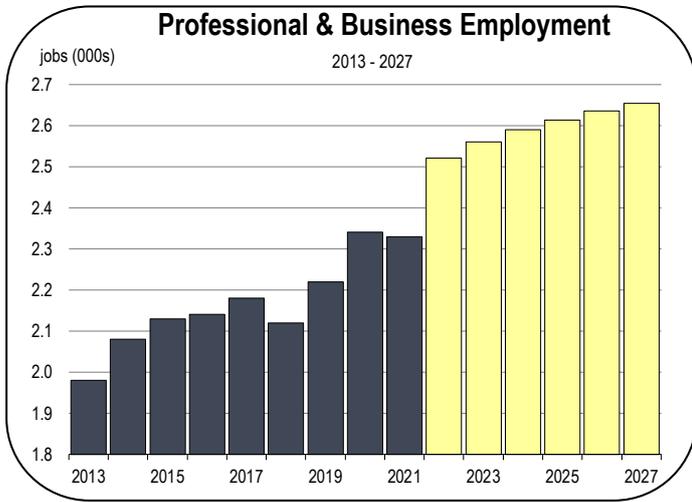
## Retail Trade Employment

- Employment in the retail industry is not expected to expand over the forecast period.
- The retail sector of physical shops and store is struggling to compete with online retailers outside of Sutter County. This will prevent the overall retail industry from expanding much over time. This is especially true with larger retail markets closer by in Placer and Sacramento Counties.
- There are a number of retailers that each employ more than 100 workers in the county, including:



- Sierra Gold Nurseries (more than 500 employees)
- Home Depot (250 to 500 employees)
- Walmart (250 to 500 employees)
- Lowe's Home Improvement (100 to 250 employees)
- Sam's Club (100 to 250 employees)
- Target (100 to 250 employees)
- Valley Truck & Tractor (100 to 250 employees)
- Winco Foods (100 to 250 employees)

# Sutter County Economic Forecast



## Professional and Business Services Employment

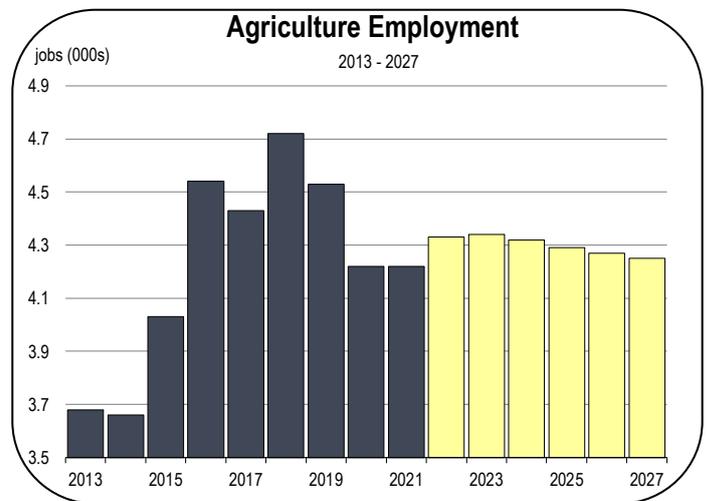
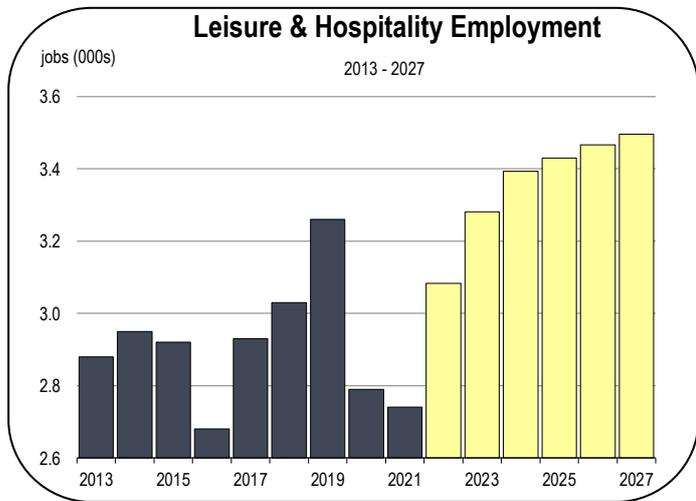
- The professional and business services industry is a diverse collection of sectors that generally support local business activity.
- Employment or “staffing” services is the largest subsector.
- The largest gains in new jobs created are in staffing agencies. In Sutter County, staffing agencies typically work with the agriculture industry, providing workers to local farms on a contract basis.
- Growth is also strong in professional security services and in maintenance/janitorial services.
- The industry is forecast to add 325 new jobs by 2027.

## Healthcare Employment

- Healthcare is the largest industry in the county, comprising 18.6 percent of all non-farm jobs.
- The largest healthcare establishment in the county is Sutter Health, which employs hundreds of workers across several facilities throughout the county.
- Other prominent providers include Adventist Health and the Sutter County Behavioral Health center.
- In 2022, the healthcare sector is expected to grow by 200 jobs.
- By 2027, healthcare organizations will generate 900 new jobs in Sutter County.



# Sutter County Economic Forecast



## Leisure and Hospitality Employment

- Gyms, hotels, restaurants, bars, catering firms, and other leisure/hospitality organizations were impacted by restricted business conditions more than any other type of company.
- Approximately 50 jobs were lost in the leisure and hospitality sector; a contraction of 1.8 percent.
- 340 jobs are expected to be restored in 2022, with most of these jobs being created in the second half of the year.
- A full recovery is forecast for 2023.

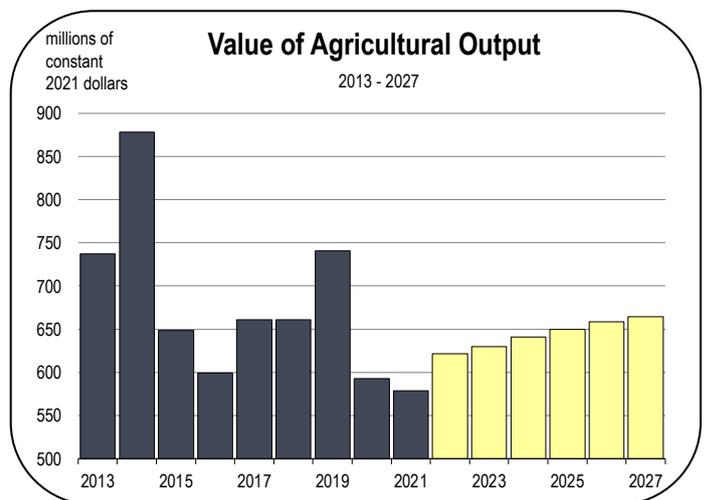
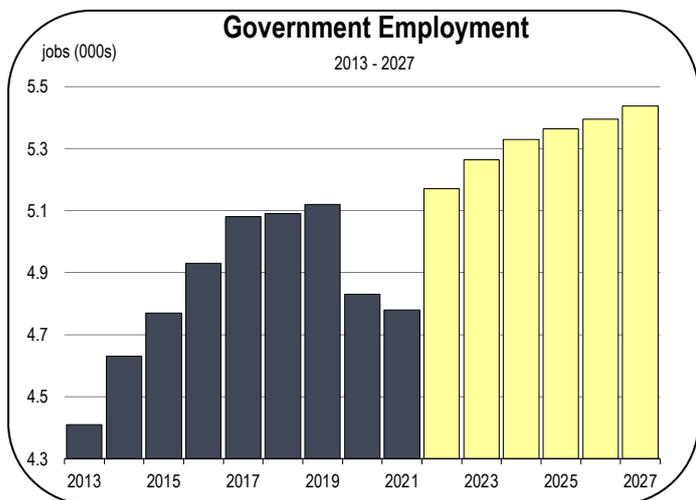
## Government Employment

- Local schools were impacted by the Coronavirus recession and restrictions in the form of job losses. On an annual average basis, employment at local governments declined by 50 jobs in 2021.

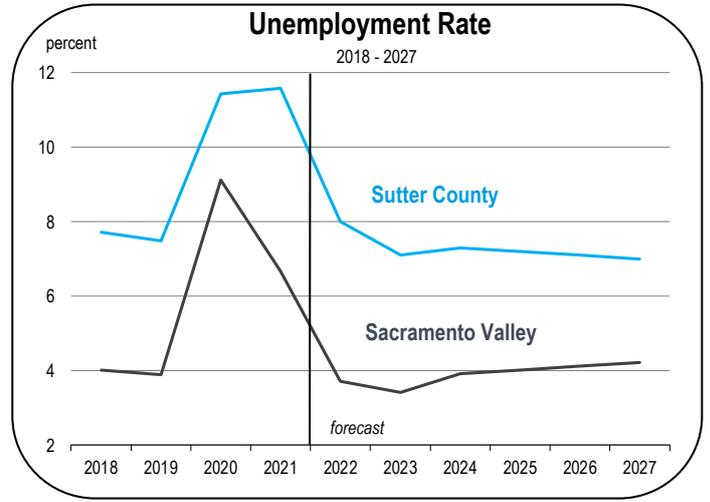
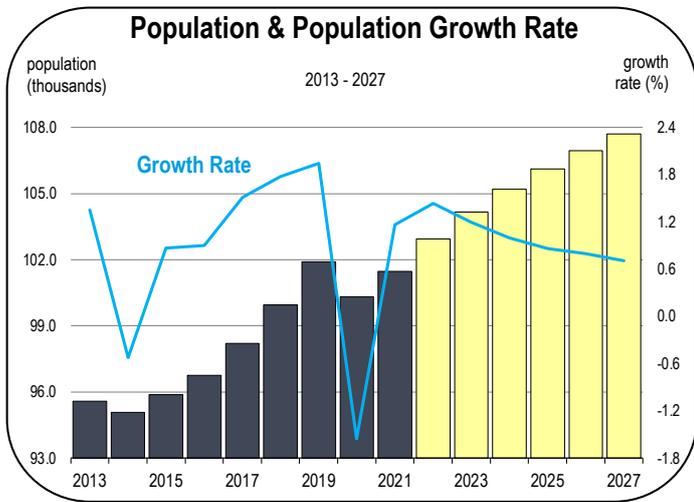
- Aside from the school system, very few agencies were subjected to layoffs in 2021, and some expanded their employee headcounts.
- Over the 2022-2027 period, government agencies will generate 220 new jobs.

## Agriculture Employment

- Agriculture is among the largest industries in Sutter County, employing more than 4,000 workers and representing approximately 13 percent of the local job market.
- The most prominent agriculture commodities in Sutter County are rice and walnuts.
- Sutter County farms produce more than \$700 million in agricultural output. This figure could approach \$800 million by 2027, adjusted for inflation.



# Sutter County Economic Forecast

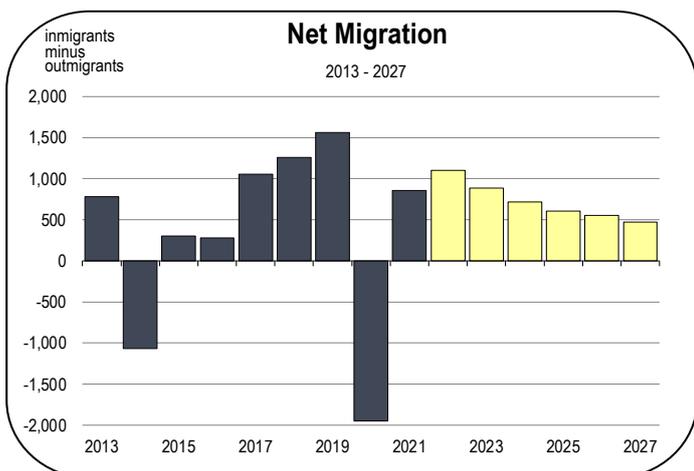


## Population Growth

- The Sutter County population is expected to expand at a 1.0 percent growth rate over the next 5 years, approaching 108,000 residents by mid 2027.
- Net migration is expected to be a meaningful contributor to population growth as residents relocate from Coastal California and parts of Sacramento County for the affordable housing options in Sutter County.
- Over the forecast period, there will be more people who move into Sutter County than residents who move out. Between 2022 and 2027, net in-migration will add an average of 700 residents to the Sutter County population each year.
- The natural increase (births minus deaths) will add approximately 300 residents to the county each year.

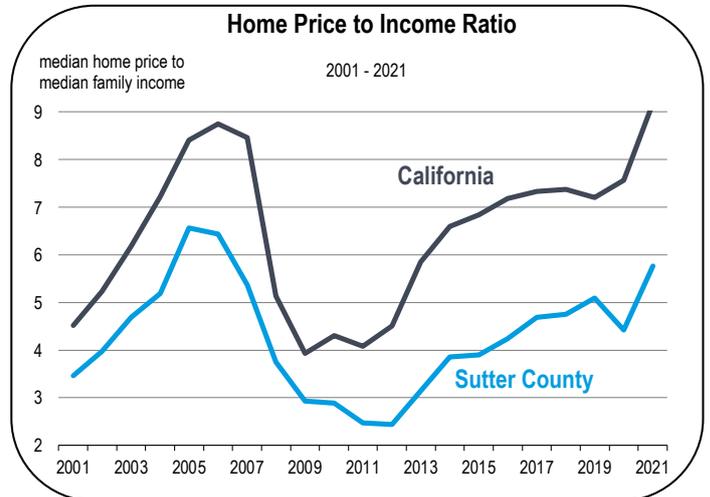
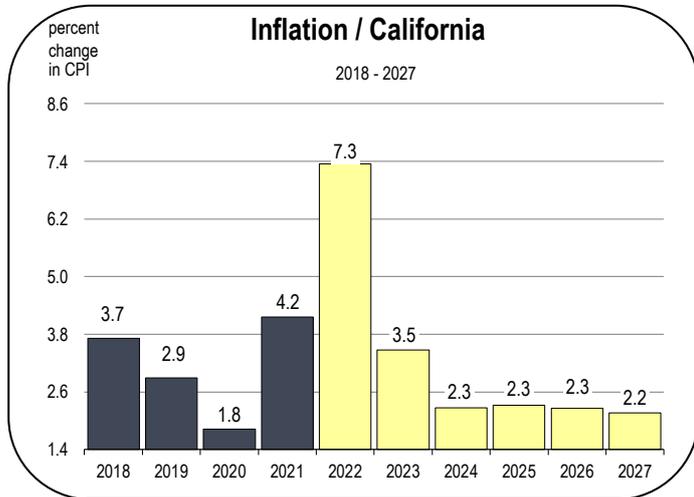
## Unemployment and Inflation Rates

- The unemployment rate in Sutter County averaged 11.6 percent in 2021.



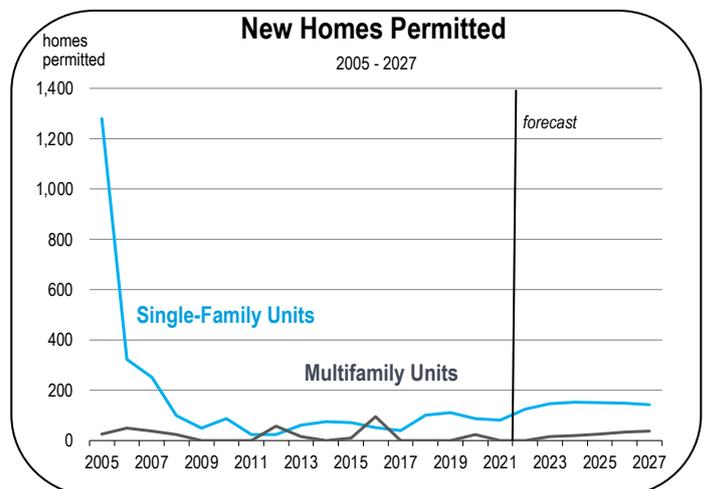
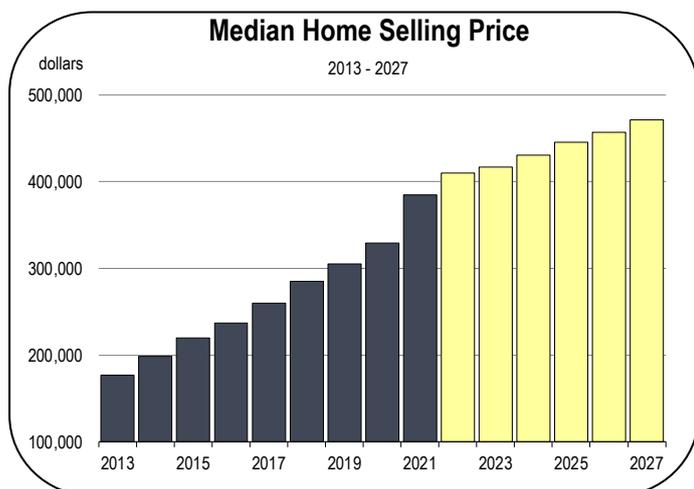
- The unemployment rate in Sutter County is always higher than the Sacramento Valley average because Sutter County has a larger share of agricultural workers, and agriculture is a seasonal industry.
- An unemployment rate below 8.0 percent signifies a fully employed workforce in Sutter County.
- The unemployment rate is expected to average 8.0 percent in 2022 and 7.1 percent in 2023.
- Inflation soared in 2021 and is expected to remain elevated during 2022 and the first half of 2023.
- During 2022 and into 2023, there will be a number of factors that will contribute to higher inflation. The most prominent will be:
  - Record spending by consumers and the federal government during 2021 and 2022
  - Fractures in the global supply chain that raise the cost of production for many businesses
  - Sharp increases in the cost of housing and energy
  - Labor market recruitment challenges that force companies to raise wages
- Combined, these factors have pushed inflation to its highest rate in 40 years. Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence by limiting the growth potential of the economy in 2022.
- However, inflation will begin to decelerate after 2022 as supply chains and the labor force are restored and eventually falling to below 3 percent again by 2024.

# Sutter County Economic Forecast



## Home Prices and New Housing Production

- In 2021 the median home price in Sutter County was \$385,000. Home prices increased by 9 percent in 2020.
- Home prices have increased rapidly in Sutter County for most of the last decade. From 2011 to 2021, the median price increased at an average rate of 8.6 percent per year.
- Home prices are expected to rise by 7 percent in 2022. Little to no positive appreciation in selling prices is forecast in 2023.
- Despite surging values, Sutter County homes are still affordable to many households.
- In 2020, a typical household in Sutter County would have had to spend just 20 percent of its pre-tax income on mortgage payments in order to afford the median-priced home, which is well below the California average.
- At the same time, incomes have risen in tandem with housing values. By 2021, the median family income in Sutter County was \$71,600. In 2010 it was just \$55,000.
- From 2016 to 2021, an average of 100 new homes were started per year in Sutter County. Approximately 80 percent were single-family homes.
- Housing production is expected to average 100 to 150 homes per year from 2021 to 2026, consisting almost entirely of single-family homes.
- One of the largest projects in Sutter County is the Sutter Point Development Project.



# Sutter County Economic Forecast

## Sutter Point

- The Sutter Point Specific Plan is the largest development project in Sutter County. The plan was approved in 2009, and 11 years later, the first phase of the project was approved by the Board of Supervisors.
- Phase 1 is called Lakeside at Sutter Point. It actually consists of two more phases and comprises over 873 acres of land in the northeast portion of the greater specific plan area, located just north of Riego Road and South of Sankey Road. Extensive initial grading for Lakeside is currently underway.
- Lakeside will establish 3,402 single-family homes, 399 multi-family homes, 25 acres of commercial centers, parklands, open space, and a K-8 school.
- It is estimated that the three phases of Lakeside will ultimately accommodate 10,479 residents.
- Sutter Point Specific Plan is planned to take decades to complete, and could provide and produce 50,000 residential units and 20,000 jobs.

## Yuba City

- Yuba City is currently up to a myriad of new development projects including mixed-use and commercial developments.
- Yuba City's main development project currently is the Yuba Crossings Mixed plan. Yuba Crossings is a two-phase plan involving 89 units and 15,000 square feet of retail/ commercial space.
- Phase 1, dubbed Five Rivers Village, is a 53 single-family unit project. Construction for Five Rivers Village is already underway with home read for move-in in the Spring of 2023.



Location of Sutter Pointe Specific Plan Area

## Farming

- The Sacramento Valley is the largest rice-growing region in California.
- The value of the 2021 crop in Sutter County rose 9.2 percent to \$622 million. The largest crop is rice, accounting for 28 percent of the total crop value.
- Walnuts represented 19 percent of total agricultural value, followed by clingstone peaches, prunes, and then almonds.
- 4,300 workers are employed by farms, accounting for 11 percent of the county's total labor market.
- 2022 has been anormal for rice growing in California. Drought and water shortages have led to the planting of half as much of the grain as usual.
- While a burst of September rain offered some short-term relief for farmers, it will take significantly more wet weather for drought conditions to ease. Most of the Sacramento Valley was classified as experiencing extreme drought.

# Sutter County Economic Forecast

## Economic Indicators

## 2015-2021 History, 2022-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Total Taxable Sales (billions)	Real Industrial Production (millions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	95,884	31.7	304	165	100	\$3.9	\$1.1	\$1.6	\$683	\$49,084	10.8	\$649	1.4
2016	96,749	31.8	279	50	103	\$4.1	\$1.2	\$1.6	\$510	\$49,138	9.7	\$599	2.3
2017	98,209	32.0	1,052	39	104	\$4.2	\$1.2	\$1.7	\$543	\$47,924	8.8	\$661	3.0
2018	99,954	32.0	1,258	100	106	\$4.4	\$1.3	\$1.8	\$637	\$47,743	7.7	\$661	3.7
2019	101,897	32.1	1,563	135	109	\$4.6	\$1.3	\$1.8	\$641	\$48,055	7.5	\$741	2.9
2020	100,312	32.2	-1,950	87	110	\$4.9	\$1.4	\$1.9	\$761	\$50,782	11.4	\$593	1.8
2021	101,478	32.3	858	81	112	\$4.8	\$1.7	\$2.3	\$728	\$47,666	11.6	\$579	4.2
2022	102,935	32.4	1,102	140	117	\$5.5	\$1.8	\$2.5	\$775	\$49,492	8.0	\$621	7.3
2023	104,166	32.5	885	164	119	\$5.7	\$1.8	\$2.5	\$775	\$49,184	7.1	\$630	3.5
2024	105,206	32.7	715	177	120	\$5.9	\$1.9	\$2.6	\$808	\$49,649	7.3	\$641	2.3
2025	106,113	32.9	603	184	121	\$6.2	\$1.9	\$2.6	\$836	\$50,380	7.2	\$650	2.3
2026	106,956	33.0	553	185	123	\$6.5	\$2.0	\$2.7	\$859	\$50,928	7.1	\$658	2.3
2027	107,711	33.2	469	181	123	\$6.7	\$2.0	\$2.8	\$880	\$51,336	7.0	\$664	2.2
2028	108,392	33.4	417	176	124	\$7.0	\$2.1	\$2.8	\$891	\$51,715	7.1	\$669	2.2
2029	109,064	33.6	422	171	125	\$7.2	\$2.1	\$2.9	\$898	\$52,041	7.0	\$672	2.3
2030	109,722	33.7	427	167	125	\$7.5	\$2.2	\$3.0	\$906	\$52,474	7.2	\$675	2.2
2031	110,346	33.9	404	164	126	\$7.7	\$2.2	\$3.1	\$912	\$52,838	7.2	\$677	2.1
2032	110,945	34.1	394	160	127	\$8.0	\$2.3	\$3.2	\$918	\$53,103	7.3	\$678	2.3
2033	111,545	34.2	410	159	127	\$8.3	\$2.4	\$3.2	\$928	\$53,586	7.3	\$679	1.9
2034	112,112	34.4	392	157	128	\$8.5	\$2.4	\$3.3	\$931	\$53,948	7.2	\$680	2.1
2035	112,676	34.5	408	156	129	\$8.8	\$2.5	\$3.4	\$939	\$54,335	7.2	\$680	2.2
2036	113,224	34.7	415	156	129	\$9.1	\$2.6	\$3.5	\$948	\$54,554	7.3	\$681	2.6
2037	113,743	34.8	406	155	130	\$9.5	\$2.7	\$3.6	\$956	\$54,717	7.2	\$681	2.7
2038	114,221	35.0	388	153	130	\$9.8	\$2.8	\$3.8	\$958	\$54,964	7.2	\$681	2.5
2039	114,679	35.1	389	152	131	\$10.1	\$2.8	\$3.9	\$963	\$55,155	7.2	\$682	2.7
2040	115,115	35.3	386	151	132	\$10.5	\$2.9	\$4.0	\$969	\$55,370	7.2	\$682	2.6
2041	115,543	35.4	388	150	132	\$10.8	\$3.0	\$4.1	\$977	\$55,744	7.1	\$682	2.2
2042	115,959	35.6	385	150	133	\$11.1	\$3.1	\$4.2	\$986	\$56,140	7.1	\$682	2.1
2043	116,374	35.7	385	149	133	\$11.5	\$3.2	\$4.3	\$995	\$56,559	7.1	\$682	2.0
2044	116,781	35.9	380	148	134	\$11.8	\$3.2	\$4.4	\$1,005	\$57,039	7.1	\$682	1.8
2045	117,180	36.0	382	148	134	\$12.2	\$3.3	\$4.5	\$1,014	\$57,466	7.0	\$682	1.9
2046	117,563	36.2	377	147	135	\$12.6	\$3.4	\$4.6	\$1,022	\$57,822	7.0	\$682	2.0
2047	117,931	36.3	371	146	135	\$12.9	\$3.5	\$4.7	\$1,028	\$58,068	7.0	\$683	2.2
2048	118,286	36.5	371	145	136	\$13.3	\$3.6	\$4.9	\$1,034	\$58,278	7.0	\$683	2.3
2049	118,647	36.6	371	145	136	\$13.7	\$3.7	\$5.0	\$1,040	\$58,614	7.0	\$683	2.0
2050	119,004	36.8	369	144	137	\$14.1	\$3.8	\$5.1	\$1,045	\$58,799	6.9	\$683	2.1

## Employment Sectors

## 2015-2021 History, 2022-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	(thousands of jobs)											
2015	29.4	4.0	1.3	1.5	0.9	5.5	1.1	2.1	0.2	4.4	2.9	4.8
2016	30.8	4.5	1.5	1.5	0.9	5.8	1.2	2.1	0.2	4.7	2.7	4.9
2017	31.0	4.4	1.4	1.5	1.0	5.8	1.1	2.2	0.2	4.7	2.9	5.1
2018	31.7	4.7	1.4	1.5	0.9	5.9	1.2	2.1	0.2	4.9	3.0	5.1
2019	32.7	4.5	1.6	1.5	1.4	5.8	1.2	2.2	0.2	5.1	3.3	5.1
2020	31.6	4.2	1.6	1.4	1.8	5.6	1.1	2.3	0.1	5.1	2.8	4.8
2021	31.5	4.2	1.6	1.4	1.8	5.6	1.1	2.3	0.1	5.1	2.7	4.8
2022	32.7	4.3	1.7	1.5	1.9	5.5	1.1	2.5	0.1	5.3	3.0	4.9
2023	33.5	4.3	1.7	1.5	2.0	5.6	1.1	2.6	0.1	5.4	3.3	5.3
2024	33.9	4.3	1.7	1.5	2.1	5.6	1.1	2.6	0.1	5.6	3.4	5.3
2025	34.3	4.3	1.7	1.5	2.2	5.6	1.1	2.6	0.1	5.8	3.4	5.4
2026	34.5	4.3	1.7	1.5	2.2	5.6	1.1	2.6	0.1	5.9	3.5	5.4
2027	34.6	4.3	1.6	1.5	2.3	5.6	1.1	2.7	0.1	6.0	3.5	5.4
2028	34.8	4.2	1.6	1.5	2.3	5.5	1.1	2.6	0.1	6.2	3.5	5.5
2029	35.0	4.2	1.6	1.5	2.3	5.6	1.1	2.7	0.1	6.2	3.6	5.5
2030	35.2	4.2	1.6	1.5	2.3	5.6	1.1	2.7	0.1	6.3	3.6	5.6
2031	35.4	4.2	1.6	1.5	2.3	5.6	1.1	2.7	0.1	6.4	3.6	5.6
2032	35.5	4.2	1.6	1.5	2.3	5.6	1.1	2.7	0.1	6.5	3.7	5.7
2033	35.7	4.2	1.6	1.5	2.3	5.6	1.1	2.7	0.1	6.6	3.7	5.7
2034	35.9	4.2	1.6	1.5	2.3	5.7	1.1	2.7	0.1	6.7	3.7	5.7
2035	36.1	4.2	1.6	1.5	2.3	5.7	1.1	2.7	0.1	6.7	3.7	5.8
2036	36.2	4.2	1.6	1.5	2.3	5.7	1.1	2.7	0.1	6.8	3.8	5.8
2037	36.4	4.2	1.6	1.5	2.3	5.7	1.1	2.7	0.1	6.9	3.8	5.9
2038	36.6	4.2	1.6	1.5	2.3	5.7	1.1	2.7	0.1	7.0	3.8	5.9
2039	36.7	4.2	1.5	1.5	2.3	5.7	1.1	2.7	0.1	7.0	3.9	6.0
2040	36.8	4.2	1.5	1.5	2.3	5.7	1.1	2.7	0.1	7.1	3.9	6.0
2041	37.0	4.2	1.5	1.5	2.3	5.7	1.1	2.7	0.1	7.2	3.9	6.0
2042	37.1	4.2	1.5	1.5	2.4	5.7	1.1	2.7	0.1	7.2	3.9	6.1
2043	37.2	4.2	1.5	1.5	2.4	5.7	1.1	2.8	0.1	7.3	4.0	6.1
2044	37.3	4.2	1.5	1.5	2.4	5.7	1.1	2.8	0.1	7.4	4.0	6.1
2045	37.4	4.2	1.5	1.5	2.4	5.7	1.1	2.8	0.1	7.4	4.0	6.2
2046	37.5	4.2	1.5	1.5	2.4	5.6	1.1	2.8	0.1	7.5	4.0	6.2
2047	37.6	4.2	1.5	1.5	2.4	5.6	1.1	2.8	0.1	7.6	4.1	6.2
2048	37.7	4.2	1.5	1.5	2.4	5.6	1.1	2.8	0.1	7.6	4.1	6.3
2049	37.8	4.2	1.5	1.5	2.4	5.6	1.1	2.8	0.1	7.7	4.1	6.3
2050	37.9	4.2	1.5	1.5	2.4	5.6	1.1	2.8	0.1	7.7	4.1	6.3

# Sutter County Economic Forecast

## Socioeconomic Indicators

